

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

Department of Workforce Services
Housing and Community Development Division
Salt Lake City, Utah

MINUTES

Thursday, April 6, 2017

Members Present

Keith Heaton	Chairman
David Damschen	State Treasurer
Garth "Tooter" Ogden	Six County Association of Governments
Bruce Adams	Southeastern Utah Association of Local Governments
Steve Farrell	State Board of Water Resources
Naghi Zeenati	State Transportation Commission
Ron Winterton	Uintah Basin Association of Governments
Michael McKee	Uintah County
Jae Potter	Carbon County
Gregg Galecki	State Board of Water Quality

Excused Members

Jim Matson	Five County Association of Governments
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Staff and Visitors

Candace Powers	Housing and Community Development
Gayle Gardner	Housing and Community Development
Shad West	Housing and Community Development
Cristine Rhead	Housing and Community Development
Brenda Brown	Housing and Community Development
Kyle Slaughter	Housing and Community Development
Jerry Jensen	Attorney General's Office
Lisa Nelson	Division of Drinking Water
Beth Wondimu	Division of Water Quality
Debi Carty	Department of Workforce Services
Travis Kyhl	Six County Association of Governments
Gary Zabriskie	Five County Association of Governments
Michael Bryant	Southeastern Utah Association of Local Governments
Randell Obray	Cove Special Services District
Scott Bartlett	School Institutional Trust Lands Administration
Doug Robinson	Torrey Town
Ryan Snow	Roosevelt City
Greg Todd	Duchesne County
Jennifer Johnson	Big Water Town
Bret Reynolds	CIVCO Engineering
Chad L. Reed	Daggett Transportation District
Darrin Brown	Tri-County Health Department
Dustin White	Roosevelt City
Vaun Ryan	Roosevelt City
Kirby Wolfinger	Roosevelt City
Tony Wentz	Stonegate Subdivision

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Ted Mickelsen	Jones & DeMille Engineering
Andrew Adamson	Cove Special Service District
Daren Anderson	CRS Engineers
John Zilles	Roosevelt City
Brad Patterson	Gilmore Bell
Charles Evans	Central Valley Town
David Nielson	Central Valley Town
Les Whitney	Milford City
Nolan Davis	Milford City
Makayla Bealer	Milford City
Jesse Ralphs	Sunrise Engineering
Justin Atkinson	Sunrise Engineering
Ken Burdick	Duchesne County
Skyler Davies	Division of Water Quality
Guy Hollenbeck	Hancock Cove Resident
Dan Robinson	Hancock Cove Resident
Kelly Crane	Ensign Engineering
Kelly Chappell	Ensign Engineering
Brad Horrocks	Uintah County
Brian Barton	Jones & DeMille Engineering
Byron Colton	Horrocks Engineers
Alan Mortenson	Families of Stonegate
Clyde Watkins	Duchesne County Water Conservancy District
Bret Houser	Brian Head Town
Dan Benson	Brian Head Town
Bart Mumford	Heber City
Casey Hopes	Carbon County
Dustin McCormick	Maeser Water Improvement District
Troy D. Ostler	CIVCO Engineering
Scott Holmes	JRCA Architects
Dirk Clayson	Kane County
Jim Marshall	Uintah Basin Healthcare
Matt Brown	Kane County
Duane Shepherd	Uintah County Commission
Christina Davis	Workforce Services
Craig Val Davidson	Milford Memorial Hospital

WELCOME

The Permanent Community Impact Fund Board (CIB) meeting was held on Thursday, April 6, 2017 at the Multi-Agency State Office Building, 195 North 1950 West, Salt Lake City, Utah and was called to order at 8:30 a.m. by Chairman Keith Heaton.

ADMINISTRATIVE ITEMS

Financial Review

Candace Powers reviewed the status of the funds for today's meeting. There are fourteen new projects, two pending projects, three supplemental requests and one request for special consideration.

I. WELCOME AND INTRODUCTIONS

Chairman Heaton welcomed everyone and asked Board members and staff to give introductions. Chairman Heaton noted that Mike McKee, Uintah County Commissioner (resignation March 3, 2017) will be representing Uintah County at today's meeting. Chairman Heaton thanked him for his many years of service to the community and to this Board.

Commissioner Jim Matson was excused from this meeting.

II. APPROVAL OF MINUTES

Chairman Heaton requested a motion to approve the minutes from the February 2, 2017 meeting.

Naghi Zeenati made and Ron Winterton seconded the motion to approve the minutes from the February 2, 2017 meeting as corrected. The motion carried unanimously.

III. NEW PROJECTS

1. Price City (Carbon County)

Price City presented a funding assistance request for a \$450,000 loan for 20 years at 2.5% interest for the Cliffview Cemetery expansion. The project consists of adding an additional 1,708 plots in two new sections to the cemetery. The project includes landscaping, concrete roads, concrete walkways, a restroom building and utility access. The applicant is contributing \$150,000 cash.

The Board discussed the project and funding.

Bruce Adams made and Steve Farrell seconded a motion placing the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as a \$450,000 loan for 20 years at 2.5% interest. The motion carried unanimously.

2. Price City (Carbon County)

Price City presented a funding assistance request for a \$600,000 grant for water and sewer improvements. The project consists of upgrading water and sewer lines on 100 South between 300 East and 700 East. The project will also repair the road, curb, gutter, 5 fire hydrants and add 8 ADA curb cuts and 8 ADA detectable mats. The applicant is contributing \$600,000 cash.

The Board asked about MAGI and if the applicant had been to DEQ. The water percent of MAGI is 1.51% and sewer .761%. Project timing brings them to CIB first.

The Board suggested a 50% loan and a 50% grant.

The applicant stated that would be acceptable.

David Damschen made and Gregg Galecki seconded a motion placing the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as a \$300,000 loan for 20 years at 2.5% interest and a \$300,000 grant. The motion carried unanimously.

3. Roosevelt City (Duchesne County)

Roosevelt City presented a funding assistance request for a \$2,500,000 grant for the Hancock Cove Sewer Project. The project consists of adding 11,300 linear feet of 12 inch sewer pipe, 4,200 linear feet of 8 inch sewer pipe, 46 sewer connections and abandoning 46 septic tanks. The project also includes storm drainage improvements, road repairs and other improvements

to convey the sewage to Roosevelt City's sewer lagoons. The applicant is contributing \$190,000 cash.

The staff recommendation from the Division of Water Quality is a 30 year loan for \$737,000 and a hardship grant of \$1,924,000 which is a 70/30 mix from both DWQ & CIB.

The applicant stated that Stonegate Subdivision (approved in 2005) was 2 miles west of Roosevelt City limits. As of January 2017, the area is annexed into Roosevelt City. The developer has committed \$15,000 cash toward the costs of ground water reduction, drainage and sewer connection for the subdivision (46 homes/lots) which are currently on septic tanks. The septic systems have failed resulting in storm water and sewage in basements and crawlspaces. The new project design includes provision of groundwater reduction, provisions for sewer and sized for expansion as needed to continue throughout the Hancock Cove area. The funding request of 90/10 is to alleviate spreading the cost of this project to all Roosevelt City residents. Roosevelt City had a 28% rate increase in January and the applicant indicated the DWQ staff recommendation of a \$737,000 loan and \$1,924,000 grant, which was only provided yesterday, would increase that by another \$2.00. They would hope not to spread more expense to all residents.

The Board referred to the 28% sewer rate increase and asked how it related to the MAGI.

The DWQ staff recommendation has not been reviewed or approved by the DWQ Board but the MAGI for all of Roosevelt City is .75%.

The Board stated that a .75% MAGI is half of the 1.4% benchmark for sewer rates and requested a recap of the DWQ staff recommendation.

DWQ staff indicated the recommendation is a \$737,000 30-year loan at 0% interest and a hardship grant of \$1,924,000 from both DWQ and CIB.

The Board suggested establishing a special assessment area for the sewer lines rather than trying to tie this in to Roosevelt City overall. The responsibility for this project is with the developer and residents for necessary improvements. The developer contribution of \$15,000 is very minor assistance as the initial problem was improper drainage for the subdivision.

The Board asked who the developer was and the applicant replied that Bob West was the primary developer on the project.

The applicant indicated that the connection fee will be \$3,000. If the project would have been within the City limits, there would have been inspections which may have prevented the issue and further stated that Stonegate is not an HOA.

The Board expressed concern that the County approved the subdivision and it should not have been. Furthermore, the proposed project provides new potential for Roosevelt City to expand with CIB and DWQ bearing the majority of the expense. The Board stated that MAGI is below the benchmark percentage, yet the request is all grant from CIB. The drainage problems have been documented for years. What will be the future connection fee? What has been the County response to the problem?

Commissioner Winterton indicated that the area was approved years ago when the impacts of changing an agricultural area into housing were clearly known. In 2014, Duchesne County was

one of the fastest growing Counties in the nation. This area was zoned for 5 acre lots. Roosevelt City sold water to the developer to accommodate 1 acre lots. Much has been learned through this experience and blame cannot be solely placed on one entity. The County now has implemented standards and has a formula concerning subdivision proposals to prevent similar issues. Today, residents need help in accomplishing a resolution and the sewer system is a good move forward.

The Chairman commended Roosevelt City and DWQ for their efforts to help these residents. This is not an isolated case. Spring runoff will exacerbate these problems. There is concern with this much grant funding. There are a lot of possibilities for growth which should be a consideration when authorizing this funding.

Mike McKee made and Steve Farrell seconded a motion placing the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as a \$2,500,000 grant as requested.

The Board sympathized with the homeowners, and reaffirmed the DEQ recommendation which is a \$737,000 30-year loan at 0% interest and a hardship grant of \$1,924,000 from both DWQ and CIB. After further Board discussion a substitute motion was made as 50/50 grant/loan mix.

Tooter Ogden made and Gregg Galecki seconded a substitute motion placing the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as a \$1,250,000 30-year loan at 0.0% interest and a \$1,250,000 grant (total \$2,500,000).

The Board again commented on the inadequate \$15,000 funding from the developer and clarified that the septic systems would be cleaned and not simply abandoned.

The Chairman called the question on the substitute motion.

Tooter Ogden made Gregg Galecki seconded a substitute motion placing the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as a \$1,250,000 30-year loan at 0.0% interest and a \$1,250,000 grant (total \$2,500,000). The motion failed with Ogden, Damschen, Galecki and Zeenati in favor and McKee, Farrell, Winterton, Potter and Adams opposed.

Naghi Zeenati made and Jae Potter seconded a second substitute motion placing the project on the Priority List for funding consideration as a \$737,000 30-year loan at 0.0% interest and a \$1,924,000 grant (total \$2,661,000). The motion failed with Potter, Damschen, Ogden and Zeenati, in favor and Galecki, McKee, Farrell, Winterton and Adams opposed.

The Chairman called the question on the original motion.

Mike McKee made and Steve Farrell seconded the original motion placing the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as a \$2,500,000 grant as requested. The motion failed with McKee, Farrell, Winterton and Adams in favor and Ogden, Potter, Damschen, Galecki and Zeenati opposed.

A third substitute motion was made.

Ron Winterton made and Naghi Zeenati seconded a third substitute motion placing the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as a \$500,000 30-year loan at 0.0% interest and a \$2,000,000 grant (total \$2,500,000). The motion carried unanimously.

4. Richfield City (Sevier County)

Richfield City was to present a funding request of \$911,000 (a \$500,000 loan for 10 years at 0.0% interest and a \$411,000 grant) for street improvements to the intersection of 1300 South and College Avenue. The project includes two north bound through lanes, a center turn lane, a southbound through lane, and a southbound right turn lane.

The applicant requested presenting the project at a future meeting.

5. San Juan County Local Building Authority (San Juan County)

San Juan County Local Building Authority presented a funding assistance request for a \$720,560 grant for Class B and D Road Easement Perfection. The project consists of obtaining permanent easements on 2 miles of Class B roads and 334 miles of Class D roads across Utah School and Institutional Trust Lands (SITLA) in San Juan County.

SITLA has previously acknowledged 41 miles of Class B roads and will acknowledge an additional 4 miles of upgraded roads to Class B without compensation.

The applicant is requesting that the Board suspend the rules and fund the project at this meeting.

Ron Winterton made and Mike McKee seconded a motion to suspend the rules and fund the project as a \$720,560 grant. The motion carried unanimously.

Commissioner Bruce Adams indicated that San Juan County has already funded class C road easements with general funds.

6. Blanding City (San Juan County)

Blanding City presented a funding assistance request for a \$1,886,000 loan for 30 years at 1.5% interest and a \$629,000 grant (total \$2,515,000) for construction of a new Eastside sewer trunk line. The project consists of installing a new trunk line to alleviate capacity issues on the only existing trunk line that transports sewage from the community to the treatment lagoons. The project will install 28,762 feet of 8, 10 and 12 inch sewer lines with manholes. The project will involve some minor asphalt repair where the lines cross existing roads. The applicant is contributing \$215,500 cash.

The Chairman indicated that the Division of Water Quality has already authorized funding for this project and asked Blanding City to discuss also presenting this funding request to CIB.

The applicant acknowledged that project funding from DWQ is authorized but indicated that they are seeking affordability. The project has been planned for a while and the existing trunk is overwhelmed. They have increased sewer rates by \$1.00 a month each year. Consideration is being given to the lower income levels. It is difficult to afford base utility rates and referred to the high unemployment rate of the area.

The applicant referred to a remaining \$475,000 from a water line project funded by CIB and suggested that funding be reallocated to this project to help keep the utility rates affordable.

The Board made reference to the request on the application for a \$1,886,000 loan and a \$629,000 grant and asked for clarity on the request.

The applicant again indicated that Water Quality has approved the full \$2,557,000. Blanding City is seeking is to bring the cost down by utilizing the remaining \$475,000 grant funds from the prior water project with an additional \$525,000 in grant funding. (The applicant indicated at the meeting that the request is actually for \$1,000,000 in grant funding.)

The Board asked for clarification.

The applicant referred to the 2013 waterline project funded by CIB which is completed under budget and as loan is utilized first and grant last, this leaves \$475,000 grant funding remaining in the waterline project. The City is requesting that those grant funds be moved to the sewer project being discussed today and they request the additional grant funding.

CIB provides funding for a specific scope of work and project. The CIB fund manager indicated that remaining funding on any project is recaptured into the fund. Money from a water project could not be moved to a sewer project. It will, however, be noted that the funding from the water project will be returned to the Mineral Lease fund.

The Board acknowledged the applicant cash and suggested a 50/50 funding package.

Bruce Adams made and Naghi Zeenati seconded a motion placing the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as a \$1,257,500 loan for 30 years at 2.5% interest and a \$1,257,500 grant (total \$2,515,000). The motion carried unanimously. (Loans will be rounded to nearest 1000)

As a chairman's prerogative, Chairman Heaton expressed concern with rate shopping the State against the State and admonished the applicant to be aware of that concern going forward.

7. Central Valley Town (Sanpete County)

Central Valley Town presented a funding assistance request for a \$7,800 grant for a culinary water study. The project consists of a study to identify alternatives with associated costs for addressing bacterial contamination and radionuclide levels in the Town's drinking water. The applicant is contributing \$7,800 cash.

Central Valley Town has become aware of some bacterial contamination in both of their spring sources (Meachum and Tunnel Springs). Their two well sources indicated elevated radionuclide levels in the water above allowable limits set by EPA. This project includes a study to identify alternatives with associated costs for addressing these issues.

Naghi Zeenati made and David Damschen seconded a motion to suspend the rules and fund the project as a \$7,800 grant. The motion carried unanimously.

8. Milford Area Healthcare Service District #3 (Beaver County)

Milford Area Healthcare Service District #3 presented a funding assistance request for \$150,000 loan for 5 years at 2.5% interest and a \$150,000 grant (total \$300,000). The project consists of purchasing two 2017 Ford F-350 4X4 Wheeled Coach Ambulances. The applicant is contributing \$30,000 cash.

The applicant indicated that they are replacing 2 ambulances; a 2001 and a 2003. The ambulances are located at the EMS services centers located in the town of Minersville and Milford City. Both stations are run by volunteer EMT's and house two ambulances each. Due to age, and maintenance requirements, it has become necessary to replace the 2001 and 2003 ambulances to ensure a reliable, safe mode of transportation for patients and EMT's. It was indicated that revenue is generated in tax and ambulance service through the hospital.

The Board asked the applicant if there was a plan for future replacement revenue.

The applicant indicated they have a plan and have replaced two in the last year.

The Board suggested loan funding for this project since the applicant is a minimal producing county. It was suggested that a plan be in place to build a sinking fund. The Board also acknowledged the difficulty in acquiring revenue as well as providing emergency services way out west.

Ron Winterton made and Steve Farrell seconded a motion to place the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as a \$150,000 loan for 5 years at 2.5% interest and a \$150,000 grant (total \$300,000).

The Board inquired of staff if there was a system to understand this type of project affordability.

The CIB fund manager indicated that without defined affordability such as water and sewer MAGI percentages or B & C road funding, it is reliant on the applicant to verify affordability.

The Chairman called the question.

Ron Winterton made and Steve Farrell seconded a motion to place the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as a \$150,000 loan for 5 years at 2.5% interest and a \$150,000 grant (total \$300,000). The motion carried with Potter and Galecki opposed.

9. Milford City (Beaver County)

Milford City presented a funding assistance request for a \$589,000 loan for 30 years at 2.5% interest and an \$883,600 grant (total \$1,472,600) for the construction of a 6,100 square foot community building with a city council chamber, multi-purpose room, mayor's office, administrative office, conference room, recorder and clerk office, archive storage, recreation equipment storage, break room, restrooms and mechanical room.

Milford City utilized an historic church house for its City Hall and community center functions until 2000. The building was ultimately abandoned in 2015 due to health and safety concerns and the age, condition and layout of the existing facility were not conducive to effectively accommodate the City's administrative needs. The most cost effective option is to demolish the existing building and construct a new community building at the same location. Milford City contacted the Utah State Historic Preservation Office and has received permission to demolish the old building.

The applicant's original request was a 60/40 grant loan mix but referred to previous project discussions at today's meeting suggesting a 50/50 funding split at 1% interest. It was indicated that demolition is part of this project.

The Chairman referred to the RPG loan tool in the board packet for funding alternatives.

The Board commended the public hearing minutes indicating a wonderful discussion. The Board referred to expenses involved with the old building which would be going away and offered an affordable option.

Gregg Galecki made and Bruce Adams seconded a motion placing the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as a \$736,000 loan for 30 years at 2.0% interest and a \$736,600 grant (total \$1,472,600).

Jae Potter made and Mike McKee seconded a substitute motion placing the project on the Priority List as a \$1,472,600 loan for 30 years at 2.5% interest. The motion failed with Potter, McKee and Ogden in favor and Galecki, Farrell, Damschen, Adams, Zeenati and Winterton opposed.

The Chairman called the question on the original motion.

Gregg Galecki made and Bruce Adams seconded a motion placing the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as a \$736,000 loan for 30 years at 2.0% interest and a \$736,600 grant (total \$1,472,600). The motion carried with Potter and Ogden opposed.

10. Brian Head Town (Iron County)

Brian Head Town presented a funding assistance request for a \$150,000 grant for the purchase of an International Type 3 Engine Pumper Truck to meet fire suppression needs for structure and urban interface fire operations. The applicant has been awarded \$200,000 from CDBG. The applicant is contributing \$50,000 cash.

The applicant stated this is to replace the 30 year old structural engine. They have an asset replacement program for equipment purchases, but fire equipment is a large asset that is difficult to fund. Funding will continue to be set aside seeking to accommodate the replacement of a new truck. This truck will service Brian Head Town and a small portion of Iron County.

Naghi Zeenati made and Mike McKee seconded a motion placing the project on the Priority List for funding consideration at the June 1, 2017 as a \$150,000 grant.

Gregg Galecki made and David Damschen seconded a substitute motion to fund the project as a \$113,000 loan for 10 years at 0% interest and a \$37,000 grant (total \$150,000).

The Board referred to the percent of public land in the area and acknowledged very little income for this community suggesting affordability.

The Chairman called the question on the substitute motion.

Gregg Galecki made and David Damschen seconded a substitute motion to fund the project as a \$113,000 loan for 10 years at 0% interest and a \$37,000 grant (total \$150,000). The motion failed with Ogden, Potter, Galecki and Damschen in favor and Adams, Zeenati, Winterton, Farrell and McKee opposed.

The Chairman called the question on the original motion.

Naghi Zeenati made and Mike McKee seconded a motion placing the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as a \$150,000 grant. The motion carried with McKee, Farrell, Zeenati, Winterton and Adams in favor and Ogden, Potter, Damschen and Galecki opposed.

11. Flaming Gorge Road and Transportation (Daggett County)

The Flaming Gorge Road and Transportation SSD presented a funding assistance request for a \$120,000 grant for county road improvements to include:

- Repainting the center stripe of County Road 1364 (mile post 0 to mile post 8) and County Road 1364 (mile post 14.6 to mile post 17.3).
- Concrete Barrier County Road 1364 (mile post 0 to mile post 8)
- Crack sealing County Road 1364 (mile post 0 to mile post 8); County road 1364 (mile post 14.6 to mile post 17.3); Yincheta Lane: 1.5 miles long, 1000 East: 0.2 miles long, Bear Paw Lane: 0.7 miles long; County Road 4301: aka Airport Road I: 1.3 miles long; Harper's Landing: six roads totaling 1.2 miles. County Road 221 aka Birch Creek Road: 4.5 miles long.
- Road widening and improvements to East Rainbow Lane: 0.8 miles long.
- Untreated base course (UBTC) improvements on State Line Road; 2.0 miles long; Arrowhead Lane: 2.1 miles long; South Valley Road: 5.6 miles long; and various roads within the Town of Manila.
- A storm drainage study in Manila to evaluate the storm drain system and develop a concept on improvements to be implemented to reduce flooding and erosion caused by storm water. The applicant is contributing \$5,000 cash as required match to the storm drainage study.

The applicant referred to a previous application for assistance in funding the Colorado Swinging Bridge project at the February 2, 2017 CIB meeting. The Colorado Swinging Bridge project was not an eligible use of CIB funding. At that meeting the Board suggested that the applicant assess eligible needs within Daggett County, Utah for funding consideration.

The applicant indicated these various items are their priority.

Bruce Adams made and Ron Winterton seconded a motion to suspend the rules and fund the project as a \$120,000 grant as requested. The motion carried with Galecki and Damschen opposed.

The applicant expressed appreciation for the County and Commissioner Winterton for assistance with the problem.

12. Heber City Corporation (Wasatch County)

Heber City Corporation presented a funding assistance request for a \$2,975,000 loan for 30 years at 1.5% interest and a \$525,000 grant (total \$3,500,000) for expansion of the public works facility by adding an additional 13,248 square feet to the vehicle maintenance building and an additional 5,868 square feet to the public works office. Other site improvements include more covered parking, a new salt storage building, street sweeper debris building, top soil storage improvements, an emergency generator, asphalt and concrete site paving and employee parking. The applicant is contributing \$1,993,181 cash.

The Board discussed the funding request with respect to the mineral lease revenue producing counties and grant funding. The Board recognized the need for the project and suggested the funding be a low interest 100% loan.

Mike McKee made and Bruce Adams seconded a motion placing the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as a \$3,500,000 loan for 30 years at 1.0% interest.

The Board referred to the expanding popularity of Heber and Wasatch County and asked about the status of property tax rates or other possible services that might provide the needed funds.

The applicant indicated that culinary water rates have increased 47% since 2014, secondary water by 30% and sewer rates by 30%. The applicant expressed appreciation for assistance with loan funding for the public safety building. Property taxes were increased 33% a few years ago. One of the key elements in accommodating this project is to incorporate this in an impact fee study as the community rapidly grows. This financial assistance from CIB will enable Heber City to make the needed improvements without placing undue burden on the citizens with even more significant increases to taxes and utility fees.

The Board asked if the financial contribution of the applicant is in place.

The applicant indicated \$1,000,000 is from the sale of land by the airport, and the other \$993,181 is from impact fees on hand from water and sewer funds.

The Board acknowledged the applicant's contribution.

Garth Ogden made and Jae Potter seconded a substitute motion placing the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as a \$3,500,000 loan for 30 years at 2.5% interest. The motion failed with Ogden, Potter and Galecki in favor and Adams, McKee, Damschen, Zeenati, Winterton and Farrell opposed.

The Chairman called the question on the original motion.

Mike McKee made and Bruce Adams seconded a motion placing the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as a \$3,500,000 loan for 30 years at 1.0% interest. The motion carried with Adams, Damschen, Galecki, Zeenati, Winterton, Farrell and McKee in favor and Ogden and Potter opposed.

13. Cache County (Cache County)

Cache County presented a funding assistance request for a \$3,500,000 loan for 30 years at 2.5% interest to construct a new 32,000 square foot multi-purpose building that includes a main exhibit hall, reception area, kitchen areas and storage areas. The building will be located at the fairgrounds. Utilities, parking and landscaping are not included in the budget. The applicant is contributing \$2,750,000 cash.

The applicant stated this project will replace five smaller buildings at the fairgrounds with structural deficiencies that are in danger of being condemned with a cost effective new multi-purpose facility to accommodate existing and future events. The County has saved \$2,500,000 from various sources including taxes, savings from other projects, debt service funds etc. for this facility. Existing debt has also been restructured.

Naghi Zeenati made and Tooter Ogden seconded a motion placing the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as a \$3,500,000 loan for 30 years at 2.5% interest as requested.

Jae Potter made and Bruce Adams seconded a substitute motion placing the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as a \$3,500,000 loan for 15 years at 5.0% interest.

A Board inquiry was made as to the reason for the substitute motion and it was stated "best money in town - commercial rates - that's what it would be - non-producing - zero dollars into this fund".

The Chairman called the question on the substitute motion.

Jae Potter made and Bruce Adams seconded the substitute motion placing the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as a \$3,500,000 loan for 15 years at 5.0% interest. The motion carried with Adams, Potter, Winterton, Damschen, Galecki and McKee in favor and Zeenati, Ogden and Farrell opposed.

14. Big Water Municipal (Kane County)

Big Water Municipal presented a funding assistance request for an \$83,000 grant to remodel the Community Center for restroom access and also a holding tank and an ADA ramp to the facility.

The Community Center is a 30 year old building with no restroom. Ten years ago a construction type restroom was placed on the grounds for the Care and Share volunteers and community employees. This project would provide an indoor restroom. Big Water does not have a sewer system so this would be a septic style facility.

Steve Farrell made and Ron Winterton seconded a motion placing the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as an \$83,000 grant. The motion carried unanimously.

IV. PENDING REQUESTS

1. Town of Torrey (Wayne County)

Torrey Town originally submitted a funding request to the Community Impact Board on November 17, 2016 for a \$750,000 loan for 30 years at 1.5% interest and a \$1,448,000 grant (total \$2,198,000) for the Spring Line Repair Project. The CIB instructed Torrey to apply to the Drinking Water Board (DWB) to fund this project. The funding request was presented to the DWB and approved on March 2, 2017. The DWB authorized total funding of \$1,852,000 (100% loan at 0.75% interest for 30 years), including the repayment of a prior CIB drinking water related loan. Torrey is requesting a \$515,000 grant from the CIB. The applicant is contributing \$15,000 cash.

Ron Winterton made and Tooter Ogden seconded motion placing the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as a \$515,000 grant as requested. The motion carried unanimously.

2. Cove Special Service District (Sevier County)

Cove Special Service District originally submitted a funding assistance request to the Community Impact Board on November 17, 2016 for water system improvements. The project includes well exploration and development, a new 300,000 gallon concrete water tank, and replacing undersized 6" waterlines with an estimated 15,691 linear feet of 8" water lines, and an estimated 60 auto-read meters. The CIB Board instructed Cove SSD to apply to the Drinking Water Board for funding. The DWB authorized a \$600,000 loan for 30 years at 0.0% interest and a \$485,000 grant (total \$1,085,000). The applicant is requesting a \$510,000 grant from the CIB. The applicant is contributing \$16,000 cash.

Mike McKee made and Ron Winterton seconded a motion placing the project on the Priority List for funding consideration at the June 1, 2017 funding meeting as a \$510,000 grant as requested. The motion carried unanimously.

V. SUPPLEMENTAL REQUESTS (Suspend and Fund)

1. Kane County Municipal Building Authority (Kane County) On February 4, 2016, Kane County MBA received a \$2,200,000 loan for 30 years at 2.0% interest and an \$885,000 grant (total \$3,085,000) for a new Multi-Purpose Civic Complex.

Kane County MBA presented a supplemental funding assistance request for a \$430,000 loan for 30 years at 2.0% interest and a \$170,000 grant (total \$600,000). The total amount of CIB funding will be a \$2,630,000 loan for 30 years at 2.0% interest and \$1,055,000 grant (total \$3,685,000).

The applicant stated that the project originally presented was for \$10 million which included an event center. The event center was eliminated and the project was reduced to a \$4 million dollar project with approximately \$3 million from CIB. Since that authorization in February of 2016, costs have increased, commercial contractors are busy. The applicant is requesting \$600,000 in additional funding in the same ratio as the original funding. The costs have increased 23% overall. The applicant has been looking for ways to reduce costs which has delayed the process. The numbers now are based on actual construction bids. The applicant cash contribution has increased from \$417,000 to \$544,000.

The Board clarified it to be the same scope of work and also asked the applicant if they could take the supplemental request as a loan.

The applicant indicated that if the interest rate was lowered to 1.5%, they could possibly handle all loan. The applicant stated that a 28% grant ratio is low in comparison to other community centers funded by this Board.

Ron Winterton made and Tooter Ogden seconded a motion to fund the supplemental request as a \$430,000 loan for 30 years at 2.0% interest and a \$170,000 grant (total \$600,000). The motion carried unanimously.

2. Carbon County Municipal Building Authority (Carbon County)

On February 4, 2016 Carbon County MBA received a \$552,500 grant for construction of three regulation sized soccer fields, a restroom/maintenance/equipment/storage/concession building, parking lot, sprinkler system, fencing, sidewalk, landscaping, utilities and lighting at the Carbon County Fairgrounds.

The applicant is requesting \$287,000 in supplemental grant funding stating that the bids for construction were higher than anticipated. Test holes prior to construction were also dug to playing surface depth. Subsequent holes at pipeline depth indicated the existence of shale which required additional blasting. Large rock could not be used as fill and required removal. The applicant covered much of that cost.

The Board asked if the supplemental funding could be accommodated as a loan. The applicant felt it would be prohibitive.

Steve Farrell made and Bruce Adams seconded a motion to fund the supplemental request as a \$287,000 grant. The motion carried unanimously.

3. Duchesne Water Conservancy District (Duchesne County)

Duchesne Water Conservancy District received a \$14,950,000 loan for 30 years at 1.5% interest and a \$14,950,000 grant (total \$29,900,000) for the Victory Pipeline project. The project consists of a water transmission line from the Central Water Conservancy District Duchesne Valley Water Treatment Plant in Duchesne. It conveys culinary water to East Duchesne Water, Johnson Water, Myton City, Roosevelt City, Ballard Water, Neola Water and Cedarview/Montwell Water.

The applicant is requesting a \$60,000 loan for 30 years at 1.5% interest and a \$60,000 grant (total \$120,000) in supplemental funding. The project is completed to the point that water is being delivered. There is however, a funding deficit to cover a few issues with the project.

The Chairman clarified that there is revenue coming through the delivery of water.

Mike McKee made and Steve Farrell seconded a motion to fund the supplemental request as a \$60,000 loan for 30 years at 1.5% interest and a \$60,000 grant (total \$120,000).

Gregg Galecki made and David Damschen seconded a substitute motion to fund the supplemental request as a \$120,000 loan for 30 years at 1.5% interest. The motion carried with Ogden Adams, Potter, Damschen, Galecki and Zeenati in favor and McKee, Farrell and Winterton opposed.

VI. SPECIAL CONSIDERATION

Bruce Adams made and Ron Winterton seconded a motion to hear the request for special consideration by Uintah Transportation Special Service District. The motion carried unanimously.

1. Uintah Transportation Special Service District (Uintah County)

On February 4, 2016 Uintah Transportation SSD's request was funded to reallocate the approved funding for the 2015 South Vernal Truck Route – Phase 1 of the \$14,284,000 (a \$6,000,000 15-year loan at 1.5% interest and an \$8,284,000 grant) to the 2016 Leland Bench Road improvements. The request for reallocation of existing funding also included a supplemental request for a \$685,000 grant. Total funding for the Leland Bench Road improvements project: \$14,969,000 (a \$6,000,000 15-year loan at 1.5% interest and an \$8,969,000 grant).

The District is requesting to remove the loan portion of the funding package approved February 4, 2016 (\$6,000,000 15-year loan at 1.5% interest) and retain only the grant (\$8,969,000). With

the economic downturn and construction costs reduced, it was indicated that the grant funding will accomplish the same scope of work. This is a critical request due to the previous District budget of \$15-\$18 million being reduced to \$3.8 million. The District would have extreme difficulty paying additional loan funding as the District has outstanding loans with the CIB which require approximately \$2 million of the District's budget annually.

The District stated that Leland Bench Road serves the southern area of Uintah County and a number of active Crescent Point wells and other potentially profitable functions. This road will also remove much of the 250+ trucks off US-40.

Ron Winterton made and Bruce Adams seconded a motion to authorize the use of the \$8,969,000 grant only for the Leland Bench Road project.

The Board asked if they had approached UDOT for assistance.

The District indicated they have researched alternative ways of funding this project including an application to the Joint Highway Committee. The roadway from the 'four corners' as it is referred to is an eligible roadway for that funding. However, funding was not received this year. The District will apply again.

The Chairman called the question.

Ron Winterton made and Bruce Adams seconded a motion to authorize the use of the \$8,969,000 grant only for the Leland Bench Road project. The motion carried unanimously.

VII. BOARD MEMBER DISCUSSION and/or ACTION ITEMS

1. BoardDocs

Digital Board Packet Tool – Acquisition and Implementation

Candace Powers and the CIB staff have been researching digital products for delivering the board packet information to Board members prior to each meeting. Many different tools were reviewed including the iLegislate product introduced in November 2016 by Naghi Zeenati. It is recommended that the BoardDocs product be utilized for board packets. The cost is \$6,000.00 annually.

Printing costs for today's large Board packet exceeded \$1,000.00. It will be necessary for Board members to have an operating system to utilize the digital format which can be Apple or Windows. It was requested that the Board members provide the operating system they are most likely to use; iPad, laptop, etc. It may be possible to have the training as early as June.

The Board approved the acquisition and utilization of the digital BoardDocs tool.

ADJOURNMENT

The next regularly scheduled meeting of the Permanent Community Impact Fund Board will be on Thursday, June 1, 2017 at 8:30 a.m. at the Duchesne County Centennial Event Center, 60 West 400 South, Duchesne, Utah.

The meeting adjourned at 11:30 a.m.

Submitted by:
Cristine Rhead

April 6, 2017